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December 7, 2004
DOCKET ROOM

VIA HAND DELIVERY

Chairman Pat Miller
c/o Sharla Dillon, Docket Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: Petition of Tennessee American Water Company to Change and Increase Certain Rates and Charges So As to Permit It to Earn a Fair and Adequate Rate of Return on Its Property Used and Useful In Furnishing Water Service to Its Customers, Docket No. 04-00288.

Dear Chairman Miller:

Enclosed please find a copy of a letter to Hearing Officer Jean A. Stone regarding discovery.

Should you have any questions with respect to this filing, please do not hesitate to contact me at the telephone number listed above.

Very truly yours,



R. Dale Grimes

RDG/tn
Enclosure

cc: Henry Walker, Esq.
Michael A. McMahan, Esq.
Timothy C. Phillips, Esq.
Mr. Paul Diskin
T.G. Pappas, Esq.

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December 7, 2004

VIA HAND DELIVERY

Jean A. Stone, Esq.
Hearing Officer
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: Petition of Tennessee American Water Company to Change and Increase Certain Rates and Charges So As to Permit It to Earn a Fair and Adequate Rate of Return on Its Property Used and Useful In Furnishing Water Service to Its Customers, Docket No. 04-00288.

Dear Hearing Officer Stone:

Pursuant to our conference yesterday, my client Tennessee American Water Company has had the opportunity to continue its review of the discovery responses received from the intervenors in this matter and to assess the necessity of engaging in motion practice at this time in order to compel answers to discovery. The intervenors primarily assert that the discovery requests are premature because the procedural schedule does not require the filing of direct testimony until December 23, 2004, and that the discovery requests will either be answered by their direct testimony or by other supplementation. Tennessee American disputes that this is a proper response to discovery under the applicable rules.

Nevertheless, in light of the posture of the intervenors' answers and the procedural schedule currently in place, Tennessee American has decided that preparation of this cause will be best served by awaiting the filing of the intervenors' direct testimony on December 23, 2004, and deciding then whether a motion to compel answers to these discovery requests is necessary. Presumably such a motion will not be required at that time.

My client believes that forbearance on its part with respect to this matter will assure that the parties will be able to maintain the current procedural schedule, the established testimony filing deadlines, and the long-standing hearing date of January 31, 2005.

Hearing Officer Stone
December 7, 2004
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Tennessee American respectfully requests that you permit this slight variation of the procedural schedule by allowing Tennessee American to reserve its right to file a motion to compel until after the direct testimony is filed. I have spoken to counsel for the intervenors and they do not object to this proposal.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Dale Grimes", written in a cursive style.

R. Dale Grimes

RDG:tn

cc: Henry Walker, Esq.
Michael A. McMahan, Esq.
Timothy C. Phillips, Esq.
Mr. Paul Diskin
T.G. Pappas, Esq.